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Action Assigned to CA

TOP SECRET Action Taken Noted

DEPARTMENT OF STATE

DE/R CA

Drafted FE:CA - H. M. Holland

Memorandum of Conversation

DATE: December 9, 1953

SUBJECT: Air Force Communications Project in Formosa

PARTICIPANTS:

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Harrison M. Holland, CA
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A meeting was held in the Pentagon to discuss various matters relating to the establishment of an Air Force Communications Project in Formosa. Colonel Focht opened the discussion by explaining the steps that had so far been taken to set up the Project in Formosa. He spoke particularly of the need for an agreement with the NGRC to cover the specific requirements of the Project. He felt the present MAAG Administrative Agreement with certain amendments would satisfactorily cover the needs of the Air Force with respect to the operation of the Project in Formosa. Colonel Silvers raised a question as to what the status of the Project would be in the event MAAG ceased to function in Formosa. He said he believed it was necessary that there be adequate provision in any exchange of notes to cover the future operations of the Project. Colonel Gavin indicated a belief that it was necessary to get the Project started now and in the event that a more formal agreement with the NGRC were necessary, it could be negotiated at some future date. Mr. Bahn of the Air Force General Counsel's Office expressed some concern about the need for obtaining the Chinese Government's approval for the continued operation of the project in the event

MAAG

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JAN 5 - 1954
ASSISTANT SECRETARY
Department of State

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MAAG ceased to function. He referred to the sizeable investment in U.S. dollars we might lose in the event the Chinese Government were to refuse to agree to the continuance of the Project after the MAAG had left Formosa.

Questions were raised by several officers present as to the particular relationship the Project would have to MAAG. In this connection the question was asked whether MAAG would serve as a "cover" for the operation or if the project would have its own identity. Colonel Focht said that the Project would operate without any "cover"; that the present MAAG Administrative Agreement with the NGRC would satisfy most of the needs of the Project; and that the Project would have no particular operating relationship to the MAAG.

There appeared to be general agreement that the project could operate under the provisions of the MAAG Administrative Agreement plus certain additional provisions to cover specific requirements. The possible need at some future date for a more formal base-rights agreement was recognized and it was agreed that this could be considered later. Colonel Focht said he would send to General Chase for comment the particular procedures to be adopted in arranging for the establishment and operation of the Project in Formosa and on the basis of General Chase's reply would prepare a draft agreement to be cleared by State for submission by the U.S. Ambassador to the Chinese Government.

Walter P. McConaughy

FE:CA:HMHolland:kfm
12/23/53